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SENATE BILL NO. 1322

Offered January 10, 2025

Prefiled January 10, 2025

A BILL to amend and reenact §§ 18.2-325, 18.2-331.1, 18.2-334, 18.2-513, 37.2-314.2, 58.1-4015.1, and 58.1-4048 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 18.2-331.2, 18.2-331.3, 18.2-331.4, and 18.2-334.7, by adding in Title 58.1 a chapter numbered 42, containing articles numbered 1 through 5, consisting of sections numbered 58.1-4200 through 58.1-4226, and by adding in Title 59.1 a chapter numbered 58, consisting of a section numbered 59.1-607, relating to Virginia Gaming Commerce Regulation Act established; penalties.

Patron—DeSteph

Referred to Committee on Finance and Appropriations

Be it enacted by the General Assembly of Virginia:

1. That §§ 18.2-325, 18.2-331.1, 18.2-334, 18.2-513, 37.2-314.2, 58.1-4015.1, and 58.1-4048 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 18.2-331.2, 18.2-331.3, 18.2-331.4, and 18.2-334.7, by adding in Title 58.1 a chapter numbered 42, containing articles numbered 1 through 5, consisting of sections numbered 58.1-4200 through 58.1-4226, and by adding in Title 59.1 a chapter numbered 58, consisting of a section numbered 59.1-607 as follows:

§ 18.2-325. Definitions.

As used in this article, unless the context requires a different meaning:

"Electronic gaming device" means the same as that term is defined in § 58.1-4200.

"Gambling device" includes:

1. Any device, machine, paraphernalia, equipment, or other thing, including books, records, and other papers, that are actually used in an illegal gambling operation or activity; and

2. Any machine, apparatus, implement, instrument, contrivance, board, or other thing, or electronic or video versions thereof, including those dependent upon the insertion of a coin or other object for their operation, that operates, either completely automatically or with the aid of some physical act by the player or operator, in such a manner that, depending upon elements of chance, it may eject something of value or determine the prize or other thing of value to which the player is entitled, provided, however, that the return to the user of nothing more than additional chances or the right to use such machine is not deemed something of value within the meaning of this subdivision, and provided further, that machines that only sell, or entitle the user to, items of merchandise of equivalent value that may differ from each other in composition, size, shape, or color shall not be deemed gambling devices within the meaning of this subdivision.

Such devices are no less gambling devices if they indicate beforehand the definite result of one or more operations but not all the operations. Nor are they any less gambling devices because, apart from their use or adaptability as such, they may also sell or deliver something of value on a basis other than chance.

"Gambling device" does not include an electronic gaming device authorized pursuant to the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

"Host location" means the same as that term is defined in § 58.1-4200.

"Illegal gambling" means the making, placing, or receipt of any bet or wager in the Commonwealth of money or other consideration or thing of value, made in exchange for a chance to win a prize, stake, or other consideration or thing of value, dependent upon the result of any game, contest, or any other event the outcome of which is uncertain or a matter of chance, whether such game, contest, or event occurs or is to occur inside or outside the limits of the Commonwealth.

For the purposes of this subdivision definition and notwithstanding any provision in this section to the contrary, the making, placing, or receipt of any bet or wager of money or other consideration or thing of value shall include the purchase of a product, Internet access, or other thing made in exchange for a chance to win a prize, stake, or other consideration or thing of value by means of the operation of a gambling device as described in subdivision 3 b, 2 of the definition of "gambling device," regardless of whether the chance to win such prize, stake, or other consideration or thing of value may be offered in the absence of a purchase.

"Illegal gambling" also means the playing or offering for play of any skill game.

2. "Illegal gambling" does not include the playing or offering for play of any electronic gaming device authorized pursuant to the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

"Interstate gambling" means the conduct of an enterprise for profit that engages in the purchase or sale within the Commonwealth of any interest in a lottery of another state or country whether or not such interest is an actual lottery ticket, receipt, contingent promise to pay, order to purchase, or other record of such

59 interest.

60 3. "Gambling device" includes:

61 a. Any device, machine, paraphernalia, equipment, or other thing, including books, records, and other  
62 papers, which are actually used in an illegal gambling operation or activity;

63 b. Any machine, apparatus, implement, instrument, contrivance, board, or other thing, or electronic or  
64 video versions thereof, including but not limited to those dependent upon the insertion of a coin or other  
65 object for their operation, which operates, either completely automatically or with the aid of some physical  
66 act by the player or operator, in such a manner that, depending upon elements of chance, it may eject  
67 something of value or determine the prize or other thing of value to which the player is entitled, provided,  
68 however, that the return to the user of nothing more than additional chances or the right to use such machine  
69 is not deemed something of value within the meaning of this subsection; and provided further, that machines  
70 that only sell, or entitle the user to, items of merchandise of equivalent value that may differ from each other  
71 in composition, size, shape, or color, shall not be deemed gambling devices within the meaning of this  
72 subsection; and

73 e. Skill games.

74 Such devices are no less gambling devices if they indicate beforehand the definite result of one or more  
75 operations but not all the operations. Nor are they any less a gambling device because, apart from their use or  
76 adaptability as such, they may also sell or deliver something of value on a basis other than chance.

77 4. "Operator" includes any person, firm, or association of persons, who conducts, finances, manages,  
78 supervises, directs, or owns all or part of an illegal gambling enterprise, activity, or operation.

79 5. "Skill" means the knowledge, dexterity, or any other ability or expertise of a natural person.

80 6. "Skill game" means an electronic, computerized, or mechanical contrivance, terminal, machine, or  
81 other device that requires the insertion of a coin, currency, ticket, token, or similar object to operate, activate,  
82 or play a game, the outcome of which is determined by any element of skill of the player and that may deliver  
83 or entitle the person playing or operating the device to receive cash or cash equivalents, gift cards, vouchers,  
84 billets, tickets, tokens, or electronic credits to be exchanged for cash or cash equivalents whether the payoff is  
85 made automatically from the device or manually. "Skill game" includes (i) a device that contains a meter or  
86 measurement device that records the number of free games or portions of games that are rewarded and (ii) a  
87 device designed or adapted to enable a person using the device to increase the chances of winning free games  
88 or portions of games by paying more than the amount that is ordinarily required to play the game. "Skill  
89 game" does not include any amusement device, as defined in § 18.2-334.6.

90 7. "Unregistered electronic gaming device" means any electronic gaming device that does not  
91 conspicuously display on the face of the electronic gaming device a required registration label pursuant to  
92 the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1. Any electronic gaming device without such a  
93 registration label displayed may be inferred, subject to rebuttal, to be unregistered.

94 "Unregulated location" means any location that is not fully or partially regulated or operated by the  
95 Virginia Lottery or the Virginia Lottery Board, the Department of Agriculture and Consumer Services, the  
96 Virginia Alcoholic Beverage Control Authority, or the Virginia Racing Commission.

97 **§ 18.2-331.1. Operation of electronic gaming devices and gambling devices at unregulated locations;  
98 civil penalty.**

99 A. In addition to any other penalty provided by law, any person who conducts, finances, manages,  
100 supervises, directs, sells, or owns an *electronic gaming device* or a gambling device that is located in an  
101 unregulated location is subject to a civil penalty of up to \$25,000 for each *electronic gaming device* or  
102 gambling device located in such unregulated location.

103 B. The Attorney General, an attorney for the Commonwealth, or the attorney for any locality may cause  
104 an action in equity to be brought in the name of the Commonwealth or of the locality, as applicable, to  
105 immediately enjoin the operation of an *electronic gaming device* or a gambling device in violation of this  
106 section and to request an attachment against all such devices and any moneys within such devices pursuant to  
107 Chapter 20 (§ 8.01-533 et seq.) of Title 8.01, and to recover the civil penalty of up to \$25,000 per device.

108 C. In any action brought under this section, the Attorney General, the attorney for the Commonwealth, or  
109 the attorney for the locality may recover reasonable expenses incurred by the state or local agency in  
110 investigating and preparing the case, and attorney fees.

111 D. Any civil penalties assessed under this section in an action in equity brought in the name of the  
112 Commonwealth shall be paid into the Literary Fund. Any civil penalties assessed under this section in an  
113 action in equity brought in the name of a locality shall be paid into the general fund of the locality.

114 **§ 18.2-331.2. Operating, placing, or possessing an electronic gaming device in an unregulated location;  
115 penalty.**

116 A. It is unlawful for any person to operate, place, or possess an *electronic gaming device* in any  
117 unregulated location.

118 B. Any *electronic gaming device* operated, placed, or possessed in an unregulated location may be  
119 inferred, subject to rebuttal, to be in violation of this section and is subject to immediate seizure by law

120 enforcement and may be forfeited to the Commonwealth in accordance with the procedures contained in  
121 Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.

122 C. Any person violating this section is guilty of a Class 1 misdemeanor.

123 D. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the  
124 warrant, indictment, or information that such person has been before convicted of two or more offenses  
125 under this section and such prior convictions occurred before the date of the offense alleged in the warrant,  
126 indictment, or information, is guilty of a Class 6 felony.

127 E. Any person who is convicted of a felony offense under this section shall have his electronic gaming  
128 device license suspended for a period of two years. Any person who is convicted of a second felony offense  
129 under this section shall have his electronic gaming device license suspended for a period of 10 years, and any  
130 person who is convicted of a third or subsequent felony offense shall have his electronic gaming device  
131 license permanently suspended. The court shall order the suspension of such license upon conviction.

132 **§ 18.2-331.3. Operating, possessing, or placing any unregistered electronic gaming device in any**  
133 **location; penalty.**

134 A. It is unlawful for any person to offer for play in any location any unregistered electronic gaming  
135 device.

136 B. Any electronic gaming device without a registration label displayed as required by Chapter 42 (§  
137 58.1-4200 et seq.) of Title 58.1 may be inferred, subject to rebuttal, to be in violation of this section and is  
138 subject to immediate seizure by law enforcement and may be forfeited to the Commonwealth in accordance  
139 with the procedures contained in Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.

140 C. Any person violating this section is guilty of a Class 1 misdemeanor.

141 D. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the  
142 warrant, indictment, or information that such person has been before convicted of two or more offenses  
143 under this section and such prior convictions occurred before the date of the offense alleged in the warrant,  
144 indictment, or information, is guilty of a Class 6 felony.

145 E. Any person who is convicted of a felony offense under this section shall have his electronic gaming  
146 device license suspended for a period of two years. Any person who is convicted of a second felony offense  
147 under this section shall have his electronic gaming device license suspended for a period of 10 years, and any  
148 person who is convicted of a third or subsequent felony offense shall have his electronic gaming device  
149 license permanently suspended. The court shall order the suspension of such license upon conviction.

150 **§ 18.2-331.4. Offering for play electronic gaming devices in excess of the statutory limits; penalty.**

151 A. It is unlawful for any person to offer for play, in a single location, an electronic gaming device that is  
152 in excess of the licensing requirements or statutory limits prescribed in Chapter 42 (§ 58.1-4200 et seq.) of  
153 Title 58.1 regardless of whether such electronic gaming device is properly registered.

154 An electronic gaming device may be relocated from one location to another location or warehoused and  
155 subsequently placed in a host location provided that the number of electronic gaming devices offered for play  
156 in a single prescribed location does not exceed the licensing requirements or statutory limits for the number  
157 of games that may be offered for play at that location.

158 B. Any electronic gaming devices, whether registered or not, that are operating in excess of such licensing  
159 requirements or statutory limits are subject to immediate seizure and may be forfeited to the Commonwealth  
160 in accordance with the procedures contained in Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.

161 C. Any person violating this section is guilty of a Class 1 misdemeanor.

162 D. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the  
163 warrant, indictment, or information that such person has been before convicted of two or more offenses  
164 under this section and such prior convictions occurred before the date of the offense alleged in the warrant,  
165 indictment, or information, is guilty of a Class 6 felony.

166 E. Any person who is convicted of a felony offense under this section shall have his electronic gaming  
167 device license suspended for a period of two years. Any person who is convicted of a second felony offense  
168 under this section shall have his electronic gaming device license suspended for a period of 10 years, and any  
169 person who is convicted of a third or subsequent felony offense shall have his electronic gaming device  
170 license permanently suspended. The court shall order the suspension of such license upon conviction.

171 **§ 18.2-334. Exception to article; private residences.**

172 Nothing in this article shall be construed to make it illegal to participate in a game of chance conducted in  
173 a private residence, provided that such private residence is not commonly used for such games of chance and  
174 there is no operator as defined in subsection 4 of § 18.2-325.

175 **§ 18.2-334.7. Exemptions to article; electronic gaming devices.**

176 Nothing in this article shall be construed to make it illegal to play any electronic gaming device or  
177 conduct any related activity that is lawful under Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

178 **§ 18.2-513. Definitions.**

179 As used in this chapter:

180 "Criminal street gang" means the same as that term is defined in § 18.2-46.1.

181 "Enterprise" includes any of the following: sole proprietorship, partnership, corporation, business trust,

182 criminal street gang, or other group of three or more individuals associated for the purpose of criminal  
183 activity.

184 "Proceeds" means the same as that term is defined in § 18.2-246.2.

185 "Racketeering activity" means to commit, attempt to commit, or conspire to commit or to solicit, coerce,  
186 or intimidate another person to commit two or more of the following offenses: Article 2.1 (§ 18.2-46.1 et  
187 seq.) of Chapter 4, § 18.2-460; a felony offense of § 3.2-4212, 3.2-4219, 10.1-1455, 18.2-31, 18.2-32,  
188 18.2-32.1, 18.2-33, or 18.2-35, Article 2.2 (§ 18.2-46.4 et seq.) of Chapter 4, § 18.2-47, 18.2-48, 18.2-48.1,  
189 18.2-49, 18.2-51, 18.2-51.2, 18.2-52, 18.2-53, 18.2-55, 18.2-58, 18.2-59, 18.2-77, 18.2-79, 18.2-80, 18.2-89,  
190 18.2-90, 18.2-91, 18.2-92, 18.2-93, 18.2-95, 18.2-96, or 18.2-103.1, Article 4 (§ 18.2-111 et seq.) of Chapter  
191 5, Article 1 (§ 18.2-168 et seq.) of Chapter 6, § 18.2-178 or 18.2-186, Article 6 (§ 18.2-191 et seq.) of  
192 Chapter 6, Article 9 (§ 18.2-246.1 et seq.) of Chapter 6, § 18.2-246.13, Article 1 (§ 18.2-247 et seq.) of  
193 Chapter 7, § 18.2-279, 18.2-286.1, 18.2-289, 18.2-300, 18.2-308.2, 18.2-308.2:1, 18.2-328, 18.2-331.2,  
194 18.2-331.3, 18.2-331.4, 18.2-346, 18.2-346.01, 18.2-348, 18.2-348.1, 18.2-349, 18.2-355, 18.2-356, 18.2-357  
195 , 18.2-357.1, 18.2-368, 18.2-369, or 18.2-374.1, Article 8 (§ 18.2-433.1 et seq.) of Chapter 9, Article 1 (§  
196 18.2-434 et seq.) of Chapter 10, Article 2 (§ 18.2-438 et seq.) of Chapter 10, Article 3 (§ 18.2-446 et seq.) of  
197 Chapter 10, Article 1.1 (§ 18.2-498.1 et seq.) of Chapter 12, § 3.2-6571, 18.2-516, 32.1-314, 58.1-1008.2,  
198 58.1-1017, or 58.1-1017.1; or any substantially similar offenses under the laws of any other state, the District  
199 of Columbia, or the United States or its territories.

200 **§ 37.2-314.2. Problem Gambling Treatment and Support Fund.**

201 A. As used in this section:

202 "Compulsive gambling" means persistent and recurrent problem gambling behavior leading to clinically  
203 significant impairment or distress, as indicated by an individual exhibiting four or more of the criteria as  
204 defined by the Diagnostic Statistical Manual of Mental Disorders in a 12-month period and where the  
205 behavior is not better explained by a manic episode.

206 "Problem gambling" means a gambling behavior that causes disruptions in any major area of life,  
207 including the psychological, social, or vocational areas of life, but does not fulfill the criteria for diagnosis as  
208 a gambling disorder.

209 B. There is hereby created in the state treasury a special nonreverting fund to be known as the Problem  
210 Gambling Treatment and Support Fund, referred to in this section as "the Fund." The Fund shall be  
211 established on the books of the Comptroller. All revenue accruing to the Fund pursuant to subsection A of §  
212 58.1-4038, *moneys required to be deposited into the Fund pursuant to subsection B of § 59.1-607*, and  
213 moneys required to be deposited into the Fund pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1 shall  
214 be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in  
215 the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of  
216 each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be  
217 used solely for the purposes of (i) providing counseling and other support services for compulsive and  
218 problem gamblers, (ii) developing and implementing compulsive and problem gambling treatment and  
219 prevention programs, and (iii) providing grants to support organizations that provide assistance to compulsive  
220 and problem gamblers. Expenditures and disbursements from the Fund shall be made by the State Treasurer  
221 on warrants issued by the Comptroller upon written request signed by the Commissioner.

222 **§ 58.1-4015.1. Voluntary exclusion program.**

223 A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.

224 B. The regulations shall include the following provisions:

225 1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion  
226 program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions of  
227 this article; (ii) participating in sports betting, as defined in § 58.1-4030; (iii) engaging in any form of casino  
228 gaming that may be allowed under the laws of the Commonwealth; (iv) *playing any electronic gaming device*  
229 *authorized pursuant to Chapter 42 (§ 58.1-4200 et seq.)*; (v) participating in charitable gaming, as defined in  
230 § 18.2-340.16; ~~(vi)~~ (vi) participating in fantasy contests, as defined in § 59.1-556; or ~~(vii)~~ (vii) wagering on  
231 horse racing, as defined in § 59.1-365. Any state agency, at the request of the Department, shall assist in  
232 administering the voluntary exclusion program pursuant to the provisions of this section.

233 2. A person who participates in the voluntary exclusion program may choose an exclusion period of two  
234 years, five years, or lifetime.

235 3. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion  
236 program may not petition the Board for removal from the program for the duration of his exclusion period.

237 4. The name of a person participating in the program shall be included on a list of excluded persons. The  
238 list of persons entering the voluntary exclusion program and the personal information of the participants shall  
239 be confidential, with dissemination by the Department limited to sales agents and permit holders, as defined  
240 in § 58.1-4030, and any other parties the Department deems necessary for purposes of enforcement. The list  
241 and the personal information of participants in the voluntary exclusion program shall not be subject to  
242 disclosure under the Virginia Freedom of Information Act (§ 2.2-3700 et seq.). In addition, the Board may

243 disseminate the list to other parties upon request by the participant and agreement by the Board.  
 244 5. Sales agents and permit holders shall make all reasonable attempts as determined by the Board to cease  
 245 all direct marketing efforts to a person participating in the program. The voluntary exclusion program shall  
 246 not preclude sales agents and permit holders from seeking the payment of a debt incurred by a person before  
 247 entering the program. In addition, a permit holder may share the names of individuals who self-exclude  
 248 across its corporate enterprise, including sharing such information with any of its affiliates.

249 **§ 58.1-4048. Gaming Regulatory Fund.**

250 There is hereby created in the state treasury a special nonreverting fund to be known as the Gaming  
 251 Regulatory Fund, referred to in this section as "the Fund." The Fund shall be established on the books of the  
 252 Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other  
 253 funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on  
 254 moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund,  
 255 including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in  
 256 the Fund. Moneys in the Fund shall be used solely to offset the Department's costs associated with (i) the  
 257 conduct of investigations required by § 58.1-4032, 58.1-4043, 58.1-4104, 58.1-4109, 58.1-4116, 58.1-4120,  
 258 or 58.1-4121 or any other provision of this article or, Chapter 41 (§ 58.1-4100 et seq.), or Chapter 42 (§  
 259 58.1-4200 et seq.) and (ii) the enforcement of regulations promulgated by the Virginia Lottery Board  
 260 pursuant to subdivisions A 14 and 15 of § 58.1-4007, subdivision 2 of § 58.1-4102, and §§ 58.1-4103,  
 261 58.1-4202, and 58.1-4204. Expenditures and disbursements from the Fund shall be made by the State  
 262 Treasurer on warrants issued by the Comptroller upon written request signed by the Director.

263 *CHAPTER 42.*

264 *VIRGINIA GAMING COMMERCE REGULATION ACT OF 2025.*

265 *Article 1.*

266 *General Provisions.*

267 **§ 58.1-4200. Definitions.**

268 *As used in this chapter, unless the context requires a different meaning:*

269 *"ABC retail location" means a business location for which a valid authority retail license has been issued*  
 270 *to a business by the Virginia Alcoholic Beverage Control Authority or the Board of Directors of the Virginia*  
 271 *Alcoholic Beverage Control Authority pursuant to Title 4.1.*

272 *"Board" means the Virginia Lottery Board established in the Virginia Lottery Law (§ 58.1-4000 et seq.).*

273 *"Category" means the type of license granted by the Department, to include a manufacturer, distributor,*  
 274 *operator, or host location license.*

275 *"Commercial motor vehicle" means the same as that term is defined in § 46.2-341.4.*

276 *"Department" means the independent agency responsible for the administration of the Virginia Lottery*  
 277 *pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40 and the regulation of sports betting pursuant to*  
 278 *Article 2 (§ 58.1-4030 et seq.) of Chapter 40, casino gaming pursuant to Chapter 41 (§ 58.1-4100 et seq.),*  
 279 *and electronic gaming devices pursuant to this chapter.*

280 *"Director" means the Director of the Virginia Lottery.*

281 *"Distributor" means any person registered with the Board that sells, leases, offers, or provides and*  
 282 *distributes electronic gaming devices to an operator for use or play in the Commonwealth, and that buys or*  
 283 *leases electronic gaming devices from a manufacturer licensee. No distributor shall contract directly with a*  
 284 *host location.*

285 *"Electronic gaming" means activity using an electronic gaming device as authorized under this chapter.*

286 *"Electronic gaming device" means a physical terminal, machine, or other device, including electronic or*  
 287 *computerized devices, that requires the insertion of a coin, currency, ticket, token, or similar object to*  
 288 *operate, activate, or play a game, the outcome of which shall be determined by the predominant skill of the*  
 289 *player, and that may deliver or entitle the person playing or operating the device to receive cash in excess of*  
 290 *the cost of operating, activating, or playing the game. "Electronic gaming device" does not include any*  
 291 *amusement device, as defined in § 18.2-334.6, any mobile telephone device, charitable games authorized*  
 292 *pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2, sports betting authorized under*  
 293 *Article 2 (§ 58.1-4030 et seq.) of Chapter 40, casino gaming authorized under Chapter 41 (§ 58.1-4100 et*  
 294 *seq.), or historical horse racing authorized pursuant to Chapter 29 (§ 59.1-364 et seq.) of Title 59.1.*

295 *"Gaming tax" means the tax imposed on electronic gaming devices.*

296 *"Gross profits" means all revenue generated from the play of electronic gaming devices minus prizes or*  
 297 *cash winnings paid out to successful players.*

298 *"Host location" means a business establishment at which electronic gaming devices are placed, operated,*  
 299 *and offered to the public for play in the gaming area by an operator licensee. "Host location" includes truck*  
 300 *stops, as defined in this chapter, and any ABC retail location.*

301 *"Independent testing laboratory" means a laboratory selected by the Director with a national reputation*  
 302 *for honesty, independence, and timeliness that is demonstrably competent and qualified to scientifically test*  
 303 *and evaluate electronic gaming devices for compliance with this chapter and to otherwise perform the*

304 functions assigned to it by this chapter. No manufacturer, operator, distributor, or host location licensee  
305 shall have any ownership interest in any independent testing laboratory approved by the Director.

306 "Individual" means a natural person.

307 "Inducement" means anything of value offered, given, transferred, or paid, directly or indirectly, by a  
308 manufacturer, distributor, procurement agent, operator, or any employee, agent, contractor, or other person  
309 acting on behalf of any manufacturer, distributor, operator, or procurement agent to any host location  
310 licensee or any applicant for a host location license pursuant to this chapter, or to any employee, investor,  
311 owner, or officer of a host location licensee or applicant for a host location license as an enticement to  
312 solicit, enter into, grant, execute, renew, extend, or maintain a use agreement by and between a host location  
313 licensee and a distributor licensee, including any cash, incentive, marketing or advertising cost, gift, food,  
314 beverage, loan, financing arrangement, prepayment of gross revenue, or any other contribution payment that  
315 offsets a host location licensee's capital or operational costs, or as otherwise determined by the Board.

316 "Inducement" does not include costs paid by a distributor or operator licensee related to:

317 1. Costs for structural changes or modular materials or equipment used to meet minimum standards for  
318 the gaming area as required by the Board or to maintain the security of the gaming area, the electronic  
319 gaming devices, and ticket redemption terminals.

320 2. Surveillance equipment, alarm systems, and similar equipment or systems intended to monitor and  
321 secure the electronic gaming devices, the ticket redemption terminals, and the gaming area and the perimeter  
322 of the host location licensee's establishment, and any means of ingress and egress thereto.

323 3. Any wiring or rewiring of the gaming area necessary to operate electronic gaming devices, ticket  
324 redemption terminals, or ancillary equipment.

325 4. Any software updates to the electronic gaming devices or ticket redemption terminals or ongoing  
326 maintenance of electronic gaming devices, ticket redemption terminals, network connections, site controllers,  
327 chairs, tables, supports, or other ancillary equipment necessary to operate the electronic gaming devices and  
328 the ticket redemption terminals in the gaming area.

329 5. Any requirement established by the Board regarding minimum standards for the operation of electronic  
330 gaming devices, ticket redemption terminals, in whole or in part, by the distributor or operator licensee.

331 "Licensee" or "license holder" means any person holding a manufacturer, distributor, operator, or host  
332 location license pursuant to Article 2 (§ 58.1-4205 et seq.).

333 "Locality" means a county, city, or town, as those terms are defined in § 15.2-102.

334 "Lottery" means the lottery or lotteries established and operated pursuant to Chapter 40 (§ 58.1-4000 et  
335 seq.).

336 "Manufacturer" means any person that manufactures and sells or leases electronic gaming devices or  
337 software and hardware for electronic gaming devices to distributors.

338 "Operator" means a person registered with the Board to place or service electronic gaming devices at the  
339 premises of a host location by (i) purchasing or leasing electronic gaming devices from a licensed  
340 manufacturer or distributor; (ii) providing the placement, repair, maintenance, replacement, or removal of  
341 electronic gaming devices to host locations; (iii) maintaining and servicing such devices; and (iv) facilitating  
342 data collection and data and financial reporting as required by this chapter and as determined by the Board.

343 "Person" means any individual, group of individuals, firm, company, corporation, partnership, business,  
344 trust, association, or other legal entity.

345 "Player" means an individual who plays an electronic gaming device.

346 "Procurement agent" means a person licensed by the Board that acts as an agent, either as an employee  
347 or as an independent contractor of a manufacturer or manufacturers, distributor or distributors, operator or  
348 operators, and shares in the gross profits, is paid a commission, or is otherwise compensated for the purpose  
349 of soliciting or procuring a use agreement among two or more licensees in different categories.

350 "Profits after taxes" means the gross profit minus the tax imposed upon all gross profits generated from  
351 the play of electronic gaming devices pursuant to §§ 58.1-4217 and 58.1-4218.

352 "Regulation" means any statement of general application having the force of law, affecting the rights or  
353 conduct of any person, adopted by the Board in accordance with the authority conferred on it by applicable  
354 laws.

355 "Single play" means the period beginning when a player activates and pays for the interactive gameplay  
356 function of an electronic gaming device and ending at the time when the gameplay function or series of free  
357 subgames thereunder will not continue without payment by the player of additional consideration.

358 "Successful player" means an individual who wins a payout on one or more plays of an electronic gaming  
359 device.

360 "Ticket redemption terminal" means a terminal where a voucher dispensed by an electronic gaming  
361 device may be redeemed for cash or a cash equivalent.

362 "Truck stop" means an establishment that (i) is equipped with diesel fuel islands used for fueling  
363 commercial motor vehicles and has sold, on average, at least 50,000 gallons of diesel or biodiesel fuel each  
364 month for the previous 12 months, or is projected to sell an average of at least 50,000 gallons of diesel or

365 biodiesel fuel each month for the next 12 months; (ii) has a convenience store; (iii) is situated on not less  
 366 than three acres of land that the establishment owns or leases; and (iv) has parking spaces dedicated to  
 367 commercial motor vehicles.

368 "Use agreement" means a written agreement conforming to the regulations established by the Board and  
 369 those minimum requirements set forth in this chapter among two or more licensees in different categories.

370 "Voluntary exclusion program" means a program established by the Board pursuant to § 58.1-4204 that  
 371 allows individuals to voluntarily exclude themselves from engaging in the activities described in subdivision  
 372 B 1 of § 58.1-4204 by placing their names on a voluntary exclusion list and following the procedures set forth  
 373 by the Board.

374 **§ 58.1-4201. Powers and duties of the Director related to electronic gaming devices; reporting.**

375 A. The Director shall have the following powers and duties related to the regulation of electronic gaming  
 376 devices:

377 1. Issue licenses under Article 2 (§ 58.1-4205 et seq.) and supervise all activities licensed under the  
 378 provisions of this chapter, including the manufacture, distribution, operation, hosting, and playing of  
 379 electronic gaming devices;

380 2. Suspend, revoke, or refuse to renew any license issued pursuant to Article 2 (§ 58.1-4205 et seq.) or the  
 381 rules and regulations adopted pursuant to this chapter;

382 3. Inspect, investigate, and have free access to the offices, facilities, or other places of business of any  
 383 licensee and compel the production of any books, documents, records, or memoranda of any licensee for the  
 384 purpose of satisfying himself that this chapter and Board regulations are strictly complied with;

385 4. Order such audits and inspections as deemed necessary;

386 5. Certify monthly to the State Comptroller and the Board a full and complete statement of electronic  
 387 gaming device revenues for the previous month;

388 6. Assess and collect civil penalties for violations of this chapter and Board regulations;

389 7. Report monthly to the Governor, the Secretary of Finance, and the Chairmen of the Senate Committee  
 390 on Finance and Appropriations, House Committee on Finance, and House Committee on Appropriations the  
 391 total electronic gaming device revenues and expenses for the previous month and make an annual report,  
 392 which shall include a full and complete statement of electronic gaming device revenues and expenses and a  
 393 list of all licensees licensed pursuant to this chapter, to the Governor and the General Assembly, including  
 394 recommendations for changes in this chapter as the Director and Board deem prudent;

395 8. Require training for host location licensees and the employees of any host location licensee as  
 396 necessary on any topic the Director deems appropriate, including technical operations, security, problem  
 397 gambling identification measures, and age verification procedures;

398 9. Establish monthly reporting requirements for each electronic gaming device on the amounts wagered  
 399 and amounts awarded on the last 500 plays and the last 100 plays for each electronic gaming device; and

400 10. Do all acts necessary and advisable to carry out the purposes and provisions of this chapter.

401 B. Upon request by the assessing official of a locality, the Director shall provide to such assessing official  
 402 of such locality a statement of the amount of the gaming tax collected in such locality pursuant to Article 4 (§  
 403 58.1-4218 et seq.) from each electronic gaming device, from each host location, and from all electronic  
 404 gaming devices and host locations in the aggregate.

405 **§ 58.1-4202. Powers and duties of the Board related to electronic gaming devices.**

406 In addition to the regulations adopted pursuant to § 58.1-4007, the Board shall promulgate regulations  
 407 related to electronic gaming devices that:

408 1. Develop such forms, licenses, identification cards, and applications as are necessary or convenient for  
 409 the administration of this chapter;

410 2. Establish requirements for all licensees under this chapter for the form, content, and retention of all  
 411 records and accounts;

412 3. Establish procedures for the collection of all fees levied pursuant to this chapter and set due dates for  
 413 the payment of such fees;

414 4. Establish a process for the approval or disapproval of electronic gaming devices and games offered on  
 415 such devices;

416 5. Establish cash handling procedures for operator and host location licensees that require such licensees  
 417 to keep separate accounts for gaming and nongaming transactions;

418 6. Establish standard terms between licensees in different categories;

419 7. Establish rules and regulations that ensure transparency with respect to operational, transactional,  
 420 and financial information provided to licensees that allow such licensees to be able to verify appropriate  
 421 distributions of profits after taxes pursuant to the user agreement among any such licensees;

422 8. Establish rules and regulations to ensure public safety and protocols to deter criminal activity within  
 423 and around the host location's premises;

424 9. Promulgate regulations that establish limitations on excessive ATM fees for players in host locations;

425 10. Establish rules and regulations related to the level of substantial skill and the differential level of skill

- 426 *that meets the definition of "electronic gaming device" in § 58.1-4200;*  
 427 *11. Establish rules and regulations for the licensing of procurement agents;*  
 428 *12. Establish a process for accepting license applications, including consideration of the aggregate cap*  
 429 *on the number of electronic gaming devices as well as regional diversity and population;*  
 430 *13. Require inspections of all licensees at a frequency determined by the Board;*  
 431 *14. Require appropriate surveillance equipment, alarm systems, or similar equipment or systems intended*  
 432 *to monitor and secure the gaming area and electronic gaming devices, ticket redemption terminals,*  
 433 *electronic identification terminals, and the perimeter of the host location licensee's establishment, and any*  
 434 *means of ingress and egress thereto;*  
 435 *15. Establish a program of periodic testing and inspection for all electronic gaming devices;*  
 436 *16. Prohibit licensees and their affiliates from advertising or marketing their products and services*  
 437 *related to electronic gaming devices to players or potential players. However, (i) licensees shall be allowed*  
 438 *to describe their products and services on a website operated and maintained by the licensee and (ii) host*  
 439 *location licensees shall be allowed to advertise on one sign located at the host location, provided that such*  
 440 *sign is no larger than three feet in height by three feet in width;*  
 441 *17. Require host location licensees to post at least one sign in a conspicuous location at the entrance of*  
 442 *any gaming area on the premises of its establishment. Such sign shall include (i) language that makes it clear*  
 443 *that only individuals 21 years of age or older may play an electronic gaming device; (ii) a toll-free telephone*  
 444 *number for problem gambling assistance that has been approved by the Virginia Council on Problem*  
 445 *Gambling or another organization that provides assistance to problem gamblers; and (iii) the toll-free*  
 446 *telephone number and website for the illegal gaming tip line established by the Office of the Gaming*  
 447 *Enforcement Coordinator in the Department of State Police for members of the public to report concerns*  
 448 *about, or suspected instances of, illegal gaming activities. The Board shall also distribute written guidance to*  
 449 *host location licensees that shall be used to educate host location employees on how to recognize intoxicated*  
 450 *individuals; and*  
 451 *18. Provide guidelines and recommendations necessary and advisable to carry out the purposes and*  
 452 *provisions of this chapter.*  
 453 **§ 58.1-4203. Adoption of local ordinance or referendum to prohibit electronic gaming devices.**  
 454 *A. For the purposes of this section, "locality" means the same as that term is defined in § 1-221.*  
 455 *B. The governing body of a locality may hold a referendum on the question of whether electronic gaming*  
 456 *devices shall be prohibited in the locality.*  
 457 *C. If a local ordinance to prohibit electronic gaming devices has been adopted by the locality, a*  
 458 *referendum with the opposite purpose may not be conducted for at least one calendar year from the effective*  
 459 *date of the ordinance.*  
 460 *D. A referendum may be called for either by resolution of the governing body of a locality or upon a*  
 461 *petition of qualified voters equal in number to at least 2.5 percent of the number registered in the jurisdiction*  
 462 *on January 1 preceding its filing or by at least 5,000 qualified voters in the jurisdiction, whichever is less.*  
 463 *Upon the filing of a petition or passage of a resolution by the local governing body, the court shall order the*  
 464 *election officials of the locality on the date fixed in the order to conduct a referendum on the question. The*  
 465 *clerk of the circuit court shall publish notice of the referendum in a newspaper of general circulation in the*  
 466 *county, city, or town once a week for three consecutive weeks prior to the referendum.*  
 467 *The regular election officers of such locality shall open the polls at the various voting places in such*  
 468 *locality on the date specified in such order and conduct such election in the manner provided by law. The*  
 469 *election shall be by ballot, which shall be prepared by the electoral board of the locality and on which shall*  
 470 *be printed the following question:*  
 471 *"Shall electronic gaming devices, also known as "skill games" be prohibited at lottery retailers or ABC*  
 472 *retail locations, which may include convenience stores, gas stations, truck stops, and other locations in*  
 473 *\_\_\_\_\_ (name of locality) as may be authorized by the Virginia Lottery?*  
 474 *[ ] Yes*  
 475 *[ ] No"*  
 476 *In the blank shall be inserted the name of the locality in which such election is held. Any voter desiring to*  
 477 *vote "Yes" shall mark in the square provided for such purpose immediately preceding the word "Yes," leaving*  
 478 *the square immediately preceding the word "No" unmarked. Any voter desiring to vote "No" shall mark in the*  
 479 *square provided such purpose immediately preceding the word "No," leaving the square immediately*  
 480 *preceding the word "Yes" unmarked.*  
 481 *The ballots shall be counted, the returns made and canvassed as in other elections, and the results*  
 482 *certified by the electoral board to the court ordering such election. Thereupon, such court shall enter an*  
 483 *order proclaiming the results of such election and a duly certified copy of such order shall be transmitted to*  
 484 *the Department and to the governing body of such locality.*  
 485 *E. No license requirement, license fee, permit fee, sticker fee, or tax shall be imposed by any locality upon*  
 486 *an electronic gaming device manufacturer, distributor, operator, or host location relating to the ownership,*

487 placement, use, or operation of electronic gaming devices or associated equipment.

488 **§ 58.1-4204. Voluntary exclusion program.**

489 A. The Board shall adopt regulations to establish and implement a voluntary exclusion program.

490 B. The regulations shall include the following provisions:

491 1. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion  
492 program agrees to refrain from (i) playing any account-based lottery game authorized under the provisions  
493 of Chapter 40 (§ 58.1-4000 et seq.) or 41 (§ 58.1-4100 et seq.); (ii) participating in sports betting, as defined  
494 in § 58.1-4030; (iii) engaging in any form of casino gaming authorized under the provisions of Chapter 41 (§  
495 58.1-4100 et seq.); (iv) playing any electronic gaming device authorized under the provisions of this chapter;  
496 (v) participating in charitable gaming, as defined in § 18.2-340.16; (vi) participating in fantasy contests, as  
497 defined in § 59.1-556; or (vii) wagering on horse racing, as defined in § 59.1-365. Any state agency, at the  
498 request of the Department, shall assist in administering the voluntary exclusion program pursuant to the  
499 provisions of this section.

500 2. A person who participates in the voluntary exclusion program may choose an exclusion period of two  
501 years, five years, or lifetime.

502 3. Except as provided by regulation of the Board, a person who participates in the voluntary exclusion  
503 program may not petition the Board for removal from the program for the duration of his exclusion period.

504 4. The name of a person participating in the program shall be noted on a list of excluded persons. The list  
505 of persons entering the voluntary exclusion program and the personal information of the participants shall be  
506 confidential, except that dissemination of such information by the Department to the entity that manages its  
507 central accounting system established pursuant to § 58.1-4216 and any other parties the Department deems  
508 necessary for purposes of enforcement shall be allowed. The list and the personal information of participants  
509 in the voluntary exclusion program shall not be subject to disclosure under the Virginia Freedom of  
510 Information Act (§ 2.2-3700 et seq.). In addition, the Board may disseminate the list to other parties upon  
511 request by the participant and agreement by the Board.

512 Article 2.

513 Licenses and Requirements of Licensees.

514 **§ 58.1-4205. Licenses that may be granted by the Director; fees.**

515 A. The Director may grant the following four license categories of industry licenses:

516 1. Manufacturer license, which shall authorize the licensee to manufacture and sell or lease to a  
517 distributor or operator licensee electronic gaming devices, software and hardware for electronic gaming  
518 devices, and all tools and components necessary for the operation, repair, and maintenance of any such  
519 electronic gaming device.

520 2. Distributor license, which shall authorize the licensee to (i) buy or lease electronic gaming devices  
521 from a manufacturer licensee and (ii) sell or lease such devices to operator licensees.

522 3. Operator license, which shall authorize the licensee to (i) place or service electronic gaming devices at  
523 host locations, (ii) buy or lease electronic gaming devices from a manufacturer or distributor licensee, (iii)  
524 provide electronic gaming devices to host location licensees, (iv) maintain and service such devices, and (v)  
525 facilitate the data requirements and data reporting as required by this chapter.

526 4. Host location license, which shall authorize the licensee to allow the placement and offering for play of  
527 electronic gaming devices at such licensee's establishment.

528 B. An applicant for a manufacturer, distributor, operator, or host location license shall submit an  
529 application to the Director on forms provided by the Director. All distributor, operator, and host location  
530 applicants shall be required to submit a copy of a valid use agreement as a condition of licensure renewal.  
531 The Board shall have the discretion to determine which license category applies to an applicant and the  
532 corresponding fees that apply to the applicant when such applicant meets the criteria for multiple licenses.  
533 Each host location premises shall be separately licensed.

534 C. A nonrefundable fee of \$250,000 shall be paid by an applicant for a manufacturer license to the  
535 Department upon issuance of such license, and annually thereafter as a condition of licensure renewal or  
536 continued licensure.

537 A nonrefundable fee of \$250,000 shall be paid by an applicant for a distributor license to the Department  
538 upon issuance of such license, and annually thereafter as a condition of licensure renewal or continued  
539 licensure.

540 A nonrefundable fee of \$25,000 shall be paid by an applicant for an operator license to the Department  
541 upon issuance of such license, and annually thereafter as a condition of licensure renewal or continued  
542 licensure.

543 A nonrefundable fee of \$1,000 shall be paid by an applicant for a host location license that does not meet  
544 the definition of a "truck stop" as defined in § 58.1-4200 to the Department upon issuance of such license,  
545 and annually thereafter as a condition of licensure renewal or continued licensure.

546 A nonrefundable fee of \$2,500 shall be paid by an applicant for a host location license that meets the  
547 definition of a "truck stop" as defined in § 58.1-4200 to the Department upon issuance of such license, and

548 annually thereafter as a condition of licensure renewal or continued licensure.

549 All fees collected by the Department pursuant to this subsection shall be deposited into the Gaming  
550 Regulatory Fund established pursuant to § 58.1-4048.

551 **§ 58.1-4206. General licensing requirements; penalty.**

552 A. The Department, in conjunction with an approved outside vendor or accredited law-enforcement  
553 agency, shall conduct a background investigation, including a criminal history records check and  
554 fingerprinting, of the following individuals: (i) every individual applying for a license pursuant to this article;  
555 (ii) every individual who is an officer, director, board member, owner of at least a 10 percent interest in any  
556 licensee, or principal of a licensee or applicant for a license and any employee of the licensee, as determined  
557 by the Board, who is directly involved with a licensee; (iii) all security personnel of any licensee; and (iv) any  
558 individual conducting cash handling, maintenance, or service on any electronic gaming device. Each such  
559 individual shall submit his fingerprints and personal descriptive information to the Central Criminal Records  
560 Exchange to be forwarded to the Federal Bureau of Investigation for a national criminal records search and  
561 to the Department of State Police for a Virginia criminal history records check. The results of the  
562 background check and national and state criminal records check shall be returned to the Department. This  
563 subsection shall not apply to employees of host location licensees.

564 B. The Director shall refuse to grant a license or shall suspend, revoke, or refuse to renew a license  
565 issued pursuant to this chapter to any person who has been (i) convicted of a crime involving moral  
566 turpitude, (ii) convicted of bookmaking or other forms of illegal gambling, (iii) found guilty of any fraud or  
567 misrepresentation in any connection, or (iv) convicted of a felony.

568 C. The Director shall refuse to grant a license or shall suspend, revoke, or refuse to renew a license  
569 issued pursuant to this article to a partnership or corporation if he determines that any general or limited  
570 partner, or officer or director of such partnership or corporation, has been (i) convicted of a crime involving  
571 moral turpitude, (ii) convicted of bookmaking or other forms of illegal gambling, (iii) found guilty of any  
572 fraud or misrepresentation in any connection, or (iv) convicted of a felony.

573 D. The Director may also refuse to grant a license pursuant to this article if:

574 1. The Director reasonably believes that the applicant's prior activities, criminal record, or associations  
575 are likely to either (i) pose a threat to the public interest, (ii) impede the regulation of electronic gaming  
576 devices, or (iii) promote unfair or illegal activities in the conduct of electronic gaming devices;

577 2. The applicant or any general or limited partner or any officer or director of such applicant knowingly  
578 makes a false statement of material fact or deliberately fails to disclose information requested by the  
579 Director;

580 3. The applicant or any general or limited partner or any officer or director of such applicant knowingly  
581 fails to comply with the provisions of this chapter or any requirements of the Director;

582 4. The applicant's license to manufacture, distribute, operate, or offer to the public for play an electronic  
583 gaming device issued by any other jurisdiction has been suspended or revoked; or

584 5. The applicant's application is incomplete.

585 E. Any person who knowingly and willfully falsifies, conceals, or misrepresents a material fact or  
586 knowingly or willfully makes a false, fictitious, or fraudulent statement or representation in any application  
587 pursuant to this article is guilty of a Class 1 misdemeanor. The Director shall revoke the license of a licensee  
588 if, subsequent to the issuance of the license, the Director determines that the licensee knowingly or recklessly  
589 made a false statement of material fact to the Director in applying for the license.

590 **§ 58.1-4207. Distributor and operator licensees.**

591 A. No distributor licensee shall own an electronic gaming device unless such device (i) is approved by the  
592 Director, (ii) has been manufactured by a manufacturer licensee, and (iii) is purchased from a manufacturer  
593 licensee or distributor licensee. No contract between a distributor or operator licensee and a manufacturer  
594 licensee shall grant the distributor licensee exclusive rights to own, maintain, or place a type, model, or  
595 brand of electronic gaming device or ticket redemption terminal in the Commonwealth.

596 B. No operator licensee shall place or maintain an electronic gaming device at any establishment where it  
597 is offered to the public for play for a charge, directly or indirectly, unless such establishment is a host  
598 location licensee and has an agreement with standard terms.

599 **§ 58.1-4208. Host location licensees; civil penalty.**

600 A. Only the following locations are eligible to receive a host location license:

601 1. Host locations that do not meet the definition of a "truck stop" licensed as an agent to sell lottery tickets  
602 or shares pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40;

603 2. Host locations that meet the definition of "truck stop" licensed as an agent to sell lottery tickets or  
604 shares pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40; and

605 3. Host locations that are ABC retail locations.

606 B. No more than three electronic gaming devices may be located in an establishment listed in subdivision  
607 A 1. No more than seven electronic gaming devices may be located in an establishment listed in subdivision A  
608 2 or 3.

609 C. No host location licensee shall allow an electronic gaming device to be placed upon the premises of

610 such licensee's establishment unless such device is owned or leased, placed, and maintained by an operator  
 611 licensee. The primary business of a host location licensee shall not be the offering for play of electronic  
 612 gaming devices.

613 D. No host location licensee shall use the term "casino" in its entity name, in any advertisement in  
 614 association with its product or service, or in any manner prohibited by Board regulation. Any host location  
 615 licensee that violates the provisions of this subsection shall be subject to a civil penalty established by the  
 616 Board. The Director shall enforce the provisions of this subsection. All penalties collected pursuant to this  
 617 subsection shall accrue to the Literary Fund.

618 E. In an effort to promote responsible gaming by players, host location licensees shall:

619 1. Affix to a clearly visible and conspicuous location on each electronic gaming device a label that bears  
 620 a toll-free number for problem gambling assistance that has been approved by the Virginia Council on  
 621 Problem Gambling or other organizations that provide assistance to problem gamblers;

622 2. Provide informational leaflets or other similar materials in the gaming area on the dangers associated  
 623 with problem gambling; and

624 3. Comply with, and require its employees to comply with, any applicable Board regulations, including  
 625 regulations regarding player self-exclusion programs, player identification, and player age verification.

626 Nothing contained in this subsection shall be construed to create any cause of action against the Board or  
 627 Department for the failure of a host location licensee to comply with the requirements of this section.

628 F. All host location licensees shall comply with the provisions of this chapter and regulations adopted by  
 629 the Board.

630 **§ 58.1-4209. License posting; expiration.**

631 A. Each license granted by the Director shall designate the physical location where the business of the  
 632 licensee will be carried out.

633 B. Each license shall be posted in a location conspicuous to the public at the place where the licensee  
 634 carries out the business for which the license is granted.

635 C. The privileges conferred by any initial license application approved by the Director shall continue  
 636 until the last day of the twelfth month after the effective date of such license. Upon completion of the first year  
 637 of licensure, licenses shall be renewed until the next June 30 based upon the payment of a prorated renewal  
 638 fee. Annually thereafter, licenses shall be renewed on July 1 and include payment of the renewal fee. A  
 639 license may be sooner terminated for any cause for which the Director would be entitled to refuse to grant a  
 640 license or by operation of law, voluntary surrender, or order of the Director.

641 D. The Director may grant licenses for one year.

642 E. Sixty days before the expiration of a license, the license holder may submit a renewal application on  
 643 forms prescribed by the Board. The Director may deny a license renewal if he finds grounds for denial as  
 644 described in § 58.1-4206.

645 **§ 58.1-4210. Prohibition against the issuance of multiple licenses.**

646 A. For purposes of this section, "interest" means the direct or indirect ownership of any equity ownership  
 647 interest or a partial equity ownership interest or any other type of financial interest, including being an  
 648 investor, shareholder, member, lender, or employee.

649 B. No licensee that has been issued a manufacturer license, distributor license, or operator license shall  
 650 be issued a host location license or have any interest in a host location licensee.

651 C. No licensee that has been issued a manufacturer license, distributor license, or host location license  
 652 shall be issued an operator license or have any interest in an operator licensee.

653 D. No licensee that has been issued a host location license shall be issued a manufacturer license or  
 654 distributor license or have any interest in a manufacturer licensee or distributor licensee.

655 E. A licensee that has been issued a manufacturer license may also be issued a distributor licensee or  
 656 have an interest in a distributor licensee.

657 F. A licensee that has been issued a distributor license may also be issued a manufacturer license or have  
 658 an interest in a manufacturer licensee.

659 G. Host location applicants with interest in multiple host locations shall submit a separate application for  
 660 each individual host location premises.

661 **§ 58.1-4211. Prohibition against transferring licenses or interests.**

662 No licensee shall transfer its license or assign responsibility for compliance with the conditions of its  
 663 license to any party, including a transfer of effective control of the licensee. No distributor licensee shall  
 664 transfer any electronic gaming device or any interest in a use agreement.

665 **§ 58.1-4212. Suspension and revocation of licenses; civil penalties; hearing and appeal.**

666 A. If the Director determines that any provision of this chapter or any regulation or condition of the  
 667 Board has not been complied with or has been violated by a licensee, he may, with at least 15 days' notice  
 668 and a hearing, (i) assess a civil penalty against the licensee under a framework established by the Board and  
 669 (ii) suspend or revoke the license holder's license. If any license is suspended or revoked, the Director shall  
 670 state his reasons for doing so, which shall be entered of record. Any civil penalties collected pursuant to this

671 *section shall be paid into the state treasury and credited to the Literary Fund.*

672 *B. Any person aggrieved by a refusal of the Director to issue any license, the suspension or revocation of*  
 673 *a license, the imposition of a fine, or any other action of the Director may seek review of such action in*  
 674 *accordance with Board regulations and Article 3 (§ 2.2-4018 et seq.) of the Administrative Process Act in the*  
 675 *Circuit Court of the City of Richmond. Further appeals shall also be in accordance with Article 5 (§ 2.2-4025*  
 676 *et seq.) of the Administrative Process Act.*

677 *C. Suspension or revocation of a license by the Director for any violation shall not preclude criminal*  
 678 *liability for such violation.*

679 **§ 58.1-4213. Minimum requirements for use agreements among two or more categories of licensees;**  
 680 **division of revenue.**

681 *A. The Board shall promulgate regulations determining the minimum requirements and terms for use*  
 682 *agreements among licensees, including timelines for submitting use agreements to the Department.*

683 *B. A copy of the use agreement shall be maintained in the business office of both the operator and the host*  
 684 *location and shall be available at all times for inspection by the Director. An operator shall file a copy of any*  
 685 *such use agreement with the Director within 30 days after the execution of such agreement.*

686 *C. No person shall receive any portion of gross profits generated from electronic gaming devices located*  
 687 *at a host location's premises except for the distributor, operator, and host location that are parties to the use*  
 688 *agreement, except as approved by the Director in compliance with applicable rules and regulations adopted*  
 689 *by the Board.*

690 *Article 3.*

691 *Authorization of Electronic Gaming Devices.*

692 **§ 58.1-4214. Approval of electronic gaming devices by the Director; minimum requirements.**

693 *A. No electronic gaming device shall be offered for play by the public in the Commonwealth unless such*  
 694 *electronic gaming device has first been approved by the Director. The Director shall not approve more than*  
 695 *30,000 electronic gaming devices in the aggregate, as measured by electronic gaming devices approved for*  
 696 *host location licensees for operation at any one time in the Commonwealth, and such approvals shall be*  
 697 *determined by the Board.*

698 *B. Before selling or otherwise providing an electronic gaming device to a distributor, a manufacturer*  
 699 *shall provide a prototype or production sample of such electronic gaming device to an independent testing*  
 700 *laboratory that has been approved by the Director, which shall evaluate and certify whether such electronic*  
 701 *gaming device meets the definition of electronic gaming device under § 58.1-4200, the requirements of §*  
 702 *58.1-4215, and any other requirements established in Board regulations.*

703 *A prototype or production sample of each type, version, or model of electronic gaming device being*  
 704 *operated in the Commonwealth shall be tested by an independent testing laboratory approved by the Director*  
 705 *to ensure its integrity, level of skill required, and proper working order. This evaluation shall include a*  
 706 *review of installed software periodically within a timeframe established by the Director.*

707 *The independent testing laboratory's software may be embedded within the game software, utilize an*  
 708 *interface port to communicate with the device, or require the removal of device media for external*  
 709 *verification.*

710 *C. Along with the prototype or production sample of the electronic gaming device, the manufacturer shall*  
 711 *provide the following information concerning the electronic gaming device to the independent testing*  
 712 *laboratory:*

713 *1. The available wagering denominations;*

714 *2. The minimum wager amount;*

715 *3. The maximum wager amount per play, which shall not exceed \$5;*

716 *4. The method of calculating winning payouts, including skill level achieved; and*

717 *5. Payout calculations set forth in sufficient detail to audit a payout through manual calculation.*

718 *D. The report of the independent testing laboratory shall be submitted by the manufacturer to the*  
 719 *Director. The Director shall use the report in evaluating whether the electronic gaming device shall be*  
 720 *approved under this chapter.*

721 *E. If at any time a manufacturer makes a substantive change to game play for any electronic gaming*  
 722 *device that has previously been approved by the Director, such manufacturer shall resubmit the electronic*  
 723 *gaming device to the Director in a manner prescribed by Board regulation.*

724 *F. The manufacturer licensee shall pay the cost of the independent testing laboratory's review and testing,*  
 725 *and the reports of the same shall be delivered to the licensee and the Director.*

726 **§ 58.1-4215. Minimum requirements of electronic gaming devices.**

727 *In addition to meeting the definition of electronic gaming device established in § 58.1-4200, electronic*  
 728 *gaming devices shall:*

729 *1. Show the rules of play for each game in a way that adequately describes or displays such information*  
 730 *so that a reasonable person could understand the game prior to placing a wager;*

731 *2. Accept only cash wagers or tickets generated from electronic gaming devices that may be redeemed for*

- 732 play at another electronic gaming device located on the same premises;
- 733 3. Prohibit the modification of the rules of play for a game once a game is initiated;
- 734 4. Prohibit the remote modification or manipulation of games, except as required or approved by the
- 735 Director pursuant to the provisions of this chapter;
- 736 5. Pay out no more than \$4,000 in winnings for a single play of a game;
- 737 6. Have an identification badge or sufficient integrity affixed to the exterior of the device by the
- 738 manufacturer that is not removable without leaving evidence of tampering;
- 739 7. Have a currency storage area that is secured by two locks before the currency can be removed and that
- 740 is only accessible by the operator licensee;
- 741 8. Make payments to successful players by issuing a voucher that can be redeemed for cash at the host
- 742 location's ticket redemption terminal;
- 743 9. Have the ability to allow for an independent integrity check by an independent testing laboratory
- 744 approved by the Director of all software that may affect the integrity of the game;
- 745 10. Be connected to the central accounting system established and operated by the Department under the
- 746 provisions of § 58.1-4216;
- 747 11. Have the ability to detect and display the device's complete play history and winnings for the previous
- 748 100 games;
- 749 12. Contain a non-resettable meter, which shall be located in a locked area of the device that is accessible
- 750 only by a key;
- 751 13. Have the capability of storing the meter information for a minimum of 180 days after a power loss to
- 752 the device; and
- 753 14. Conspicuously display the required registration label on the face of the device issued in accordance
- 754 with this chapter.

755 **§ 58.1-4216. Requirement for central accounting system.**

756 A. Each electronic gaming device and ticket redemption terminal being operated in the Commonwealth

757 shall be connected to a central accounting system established and operated by the Department.

758 The central accounting system shall collect the following information from each device: (i) cash in; (ii)

759 payouts; (iii) points, credits, or amounts played; (iv) points, credits, or amounts won; (v) gross profit; (vi) the

760 number of plays of the game; and (vii) the amounts paid to play the game.

761 The central accounting system shall not provide for the monitoring or reading of personal or financial

762 information concerning players of electronic gaming devices.

763 B. Within 90 days after the end of each fiscal year, the category of licensee responsible for the remittance

764 of the gaming tax as determined by the Board, shall submit to the Director a third-party, independent audit of

765 the financial transactions and condition of such licensee's total operations. All audits required by this

766 subsection shall conform to Board regulations.

767 **§ 58.1-4217. Conspicuous labeling of all electronic gaming devices.**

768 The distributor of each electronic gaming device shall cause to be adhered to each electronic gaming

769 device a label as prescribed by the Director prior to the placement of such electronic gaming device in a host

770 location. The Department shall provide the required labels. All labels shall be adhered on the face of all

771 electronic gaming devices in a conspicuous and visible location to the Department, law-enforcement agents

772 and officers, and players of the game. Any electronic gaming device offered for play without the requisite

773 label adhered to the electronic gaming device shall be, in addition to any other penalty provided by law, in

774 violation of this chapter.

775 Article 4.

776 Taxation.

777 **§ 58.1-4218. Gaming tax on gross profits.**

778 A. 1. Distributors shall remit a monthly tax of \$1,200 to the Department for each electronic gaming device

779 that such distributor provided for play in the Commonwealth during the previous month. No more than a

780 total of 30,000 electronic gaming devices may be distributed for play in the Commonwealth at any time.

781 2. The gaming tax imposed pursuant to this section shall not apply to any activity regulated under Article

782 2 (§ 58.1-4030 et seq.) of Chapter 40 or Chapter 41 (§ 58.1-4100 et seq.).

783 3. The gaming taxes collected shall accrue to the Virginia Gaming Commerce Regulation Fund and be

784 allocated in accordance with § 59.1-607.

785 B. The gaming tax collected pursuant to this section shall be collected by the Department at a frequency

786 established by Board regulations and shall be accompanied by forms and returns prescribed by the Board.

787 The Director may suspend or revoke a license for willful failure to submit any such payments or associated

788 returns within the specified time.

789 **§ 58.1-4219. Elementary and Secondary Education Fund.**

790 A. There is hereby created in the state treasury a special nonreverting fund to be known as the Elementary

791 and Secondary Education Fund, referred to in this section as the "Fund." The Fund shall be established on

792 the books of the Comptroller and interest earned on moneys in the Fund shall remain in the Fund and be

793 credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year  
 794 shall not revert to the general fund but shall remain in the Fund. The Fund shall consist of (i) any gross  
 795 receipts tax distributed pursuant to subdivision B 2 of § 59.1-607; (ii) any other moneys appropriated to it by  
 796 the General Assembly; and (iii) such other sums as may be made available to it from any other source, public  
 797 or private, all of which shall be credited to the Fund.

798 Amounts appropriated from the Fund to the Commonwealth's counties, cities, and towns, and the school  
 799 divisions thereof, shall be expended for the purposes of public elementary and secondary education;  
 800 however, notwithstanding any other provision of law, such amounts (a) shall only be used to supplement any  
 801 existing state or local funding and appropriations for public elementary and secondary education as of June  
 802 30, 2025, and (b) shall not be used to offset, reduce, or supplant any currently existing state or local funding  
 803 and appropriations for public elementary and secondary education, and any county, city, or town that  
 804 accepts a distribution from the Fund shall provide its portion of the cost of maintaining an educational  
 805 program meeting the standards of quality prescribed pursuant to Article VIII, Section 2 of the Constitution of  
 806 Virginia without the use of distributions from the Fund.

807 B. For the purposes of the Comptroller's preliminary and final annual reports required by § 2.2-813, all  
 808 deposits to and appropriations from the Fund shall be accounted for and considered to be a part of the  
 809 general fund of the state treasury.

#### Article 5.

##### Prohibited Acts; Penalties, Etc.

#### § 58.1-4220. **Illegal manufacture, distribution, or hosting; penalty.**

A. In addition to any other penalties provided for by law, no person shall:

814 1. Manufacture, sell, or lease to any person electronic gaming devices or major components or parts,  
 815 including software and hardware, for electronic gaming devices without a manufacturer license issued by the  
 816 Director.

817 2. Distribute, sell, or lease to any person electronic gaming devices or major components or parts,  
 818 including software or hardware, for electronic gaming devices, or purchase, own, operate, possess, or place  
 819 in the Commonwealth electronic gaming devices, or maintain and service such devices without a distributor  
 820 license issued by the Director.

821 3. Operate an establishment where one or more electronic gaming devices are made available for play by  
 822 the public without a host location license issued by the Director.

823 4. Solicit, offer, or enter into any contract or agreement for the placement of an electronic gaming device  
 824 until the distributor, operator, host location, and procurement agent, if applicable, are all issued a license by  
 825 the Director pursuant to this chapter.

826 B. A violation of this section is a Class 6 felony.

#### § 58.1-4221. **Underage play prohibited; penalty.**

828 A. In addition to any other penalties provided for by law, no person younger than 21 years of age shall be  
 829 eligible to operate an electronic gaming device regulated pursuant to this chapter. A distributor licensee  
 830 shall adhere to the front of all electronic gaming devices a notice in 16-point Times New Roman bold font  
 831 that states the following: "No person shall play any electronic gaming device unless such person is 21 years  
 832 of age or older."

833 B. In addition to any other penalties provided for by law, no person shall redeem any evidence of  
 834 winnings from any person who is not 21 years of age or older.

835 C. A violation of this section is a Class 1 misdemeanor.

#### § 58.1-4222. **Prohibited acts by host location licensees; penalty.**

837 A. In addition to any other penalties provided for by law, no host location licensee or its employees or  
 838 agents shall:

839 1. Knowingly permit any person who is not 21 years of age or older to play any electronic gaming device;

840 2. Give any reward for the play of an electronic gaming device that is not authorized by this chapter;

841 3. Give any reward for the play of an electronic gaming device that is redeemable at a location other than  
 842 the host location's ticket redemption terminal;

843 4. Accept any inducement from a distributor licensee; or

844 5. Extend credit to any person for the purpose of playing any electronic gaming device.

845 B. A violation of this section is a Class 1 misdemeanor.

846 C. Any person who is convicted of a third or subsequent offense under this section, and it is alleged in the  
 847 warrant, indictment, or information that such person has been before convicted of two or more offenses  
 848 under this section and such prior convictions occurred before the date of the offense alleged in the warrant,  
 849 indictment, or information, is guilty of a Class 6 felony.

850 D. Any person who is convicted of a felony offense under this section shall have his electronic gaming  
 851 device license suspended for a period of two years. Any person who is convicted of a second felony offense  
 852 under this section shall have his electronic gaming device license suspended for a period of 10 years, and any  
 853 person who is convicted of a third or subsequent felony offense shall have his electronic gaming device

854 license permanently suspended. The court shall order the suspension of such license upon conviction.

855 **§ 58.1-4223. Illegal tampering with electronic gaming devices; penalty.**

856 In addition to any other penalties provided for by law, no person other than an operator licensee shall  
857 possess or use any key or device designed for the purpose of opening, entering, or affecting the operation of  
858 an electronic gaming device or otherwise tamper with an electronic gaming device. A violation of this section  
859 is a Class 6 felony.

860 **§ 58.1-4224. Conspiracies and attempts to commit violations; penalty.**

861 A. In addition to any other penalties provided for by law, any person who conspires, confederates, or  
862 combines with another, either within or outside of the Commonwealth, to commit a felony prohibited by this  
863 chapter is guilty of a Class 6 felony.

864 B. In addition to any other penalties provided for by law, any person who attempts to commit any act  
865 prohibited by this chapter is guilty of a criminal offense and shall be punished as provided in § 18.2-26,  
866 18.2-27, or 18.2-28, as appropriate.

867 **§ 58.1-4225. Exclusion from the applicability of this chapter.**

868 This chapter shall not apply to sports betting authorized under Article 2 (§ 58.1-4030 et seq.) of Chapter  
869 40 or casino gaming authorized under Chapter 41 (§ 58.1-4100 et seq.).

870 **§ 58.1-4226. Certain provisions in Article 1 (§ 58.1-4000 et seq.) of Chapter 40 to apply mutatis  
871 mutandis.**

872 Except as provided in this chapter, the provisions of subdivision A 54 of § 2.2-3711, § 11-16.1,  
873 subdivision A 15 of § 19.2-389, and Article 1 (§ 58.1-4000 et seq.) of Chapter 40 shall apply mutatis  
874 mutandis to electronic gaming devices under this chapter. The Board shall promulgate regulations to  
875 interpret and clarify the applicability of Article 1 to this chapter.

#### 876 CHAPTER 58.

#### 877 VIRGINIA GAMING COMMERCE REGULATION.

878 **§ 59.1-607. Virginia Gaming Commerce Regulation Fund; distribution of gross profits and gaming tax  
879 revenue.**

880 A. There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia  
881 Gaming Commerce Regulation Fund, referred to in this section as the "Fund." The Fund shall be established  
882 on the books of the Comptroller. All moneys required to be deposited into the Fund pursuant to this chapter  
883 shall be paid into the state treasury and credited to the Fund and interest earned on moneys in the Fund shall  
884 remain in the Fund and be credited to it.

885 B. Revenues from the Fund shall be apportioned by the Comptroller as follows:

886 1. One and a half percent to the Problem Gambling Treatment and Support Fund established pursuant to  
887 § 37.2-314.2;

888 2. Seventy percent to the Elementary and Secondary Education Fund established pursuant to § 58.1-4219  
889 for the purpose of supplementing, not supplanting, elementary and secondary public education funding in the  
890 Commonwealth;

891 3. Fifteen percent to the Department of Taxation for distribution to the locality in which the host location  
892 operates provided that such locality agrees to appropriate at least 33 percent of such distribution to the  
893 locality's local law-enforcement agencies;

894 4. Two and a half percent to the Department of State Police to be used by the Office of the Gaming  
895 Enforcement Coordinator established pursuant to § 52-54;

896 5. Three percent to the Interstate 81 Corridor Improvement Fund established pursuant to § 33.2-3601;

897 6. Three percent to the Gaming Regulatory Fund established pursuant to § 58.1-4048 to cover the costs of  
898 administration and oversight of electronic gaming devices, including the central accounting system, in  
899 accordance with the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1; and

900 7. Five percent for the purposes of financial aid waivers and related stipends provided under the Virginia  
901 Military Survivors and Dependents Education Program and Fund pursuant to §§ 23.1-608 and 23.1-608.1.

902 C. Allocation of funds pursuant to this section shall occur no later than 60 days after such funds are  
903 collected and only after the Department has verified the accuracy of the collected balances.

904 D. For purposes of this section, "Department" means the independent agency responsible for the  
905 administration of the Virginia Lottery pursuant to Article 1 (§ 58.1-4000 et seq.) of Chapter 40 of Title 58.1  
906 and the regulation of sports betting pursuant to Article 2 (§ 58.1-4030 et seq.) of Chapter 40 of Title 58.1,  
907 casino gaming pursuant to Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, and electronic gaming devices  
908 pursuant to Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1.

909 **2. That, notwithstanding the provisions of the first enactment of this act to the contrary and until the  
910 Virginia Lottery Board (the Board) adopts the permanent regulations necessary to implement the  
911 provisions of this act pursuant to the fifth enactment of this act, the provisions of the first enactment of  
912 this act shall be administered by the Virginia Alcoholic Beverage Control Authority (the Authority).  
913 During the Authority's administration of such provisions, the Authority shall be vested with all powers  
914 and duties of the Board that are necessary for such administration of the provisions of the first, second,**

915 third, and fourth enactments of this act, including the collection of fees and taxes as described in §§  
916 58.1-4205 and 58.1-4218 of the Code of Virginia, as created by this act. No later than August 30, 2025,  
917 each distributor of an electronic gaming device shall file a registration statement with the Authority on  
918 such form as may be prescribed by the Authority. Such registration statement shall include all  
919 electronic gaming devices that are available for play by such distributor and such information as may  
920 be prescribed by the Authority. Such registration statement also shall include (i) the total number of  
921 electronic gaming devices provided for play in the Commonwealth by such distributor; (ii) the address  
922 of each location where the electronic gaming devices are provided for play in the Commonwealth by  
923 such distributor; (iii) the total number of electronic gaming devices provided for play in the  
924 Commonwealth by such distributor at each respective location; and (iv) the name, address, and contact  
925 information of the individual responsible for full and total compliance with Chapter 42 (§ 58.1-4200 et  
926 seq.) of Title 58.1 of the Code of Virginia, as created by this act, and a statement that such individual  
927 shall be responsible for any penalty assessed for violations of Chapter 42 (§ 58.1-4200 et seq.) of Title  
928 58.1 of the Code of Virginia, as created by this act, or law applicable to the distributor of any electronic  
929 gaming devices. Such individual shall certify that the initial registration is a true and accurate  
930 accounting of the information provided in the initial registration statement. Failure to file such  
931 registration statement by August 30, 2025, shall result in the barring of any such electronic gaming  
932 devices not registered. Any such electronic gaming device not included in such registration statement  
933 that is operating or placed in the Commonwealth shall be considered an unregistered electronic  
934 gaming device, as defined in § 18.2-325 of the Code of Virginia, as amended by this act, and subject  
935 to such penalties pursuant to § 18.2-331.2, 18.2-331.3, or 18.2-331.4 of the Code of Virginia, as created by  
936 this act. Each distributor of an electronic gaming device shall post a surety bond naming the Authority  
937 as beneficiary. The Authority may call the bond for any violation of Chapter 42 (§ 58.1-4200 et seq.) of  
938 Title 58.1 of the Code of Virginia, as created by this act, or law regulating electronic gaming devices.

939 3. That by July 30, 2025, the Virginia Alcoholic Beverage Control Authority (the Authority) shall  
940 create a registration label that is to be adhered to each individual electronic gaming device that is  
941 properly registered with the Authority. The Authority shall make available such label to the  
942 distributor of each and every electronic gaming device placed in a host location, as provided for in §§  
943 58.1-4200 and 58.1-4208 of the Code of Virginia, as created by this act, by August 25, 2025, and no later  
944 than September 1, 2025, the distributor of each and every electronic gaming device placed in a host  
945 location shall cause such label to be adhered to each individual electronic gaming device that was  
946 previously prescribed by the Authority. All labels shall be placed on the face of the electronic gaming  
947 device in a clearly visible and conspicuous location for law enforcement and players. Any electronic  
948 gaming device found to not have such label and not be properly registered with the Authority shall be  
949 in violation of this act and subject to immediate seizure and forfeiture pursuant to § 18.2-331.2,  
950 18.2-331.3, or 18.2-331.4 of the Code of Virginia, as created by this act.

951 4. That beginning October 1, 2025, and each month following until the Virginia Lottery Board (the  
952 Board) adopts the regulations necessary to implement the provisions of this act, each distributor shall  
953 provide a report to the Virginia Alcoholic Beverage Control Authority (the Authority), in such form as  
954 required by the Authority, detailing (i) the total number of electronic gaming devices provided for play  
955 in the Commonwealth by such distributor, (ii) the address of each location where the electronic gaming  
956 devices are provided for play in the Commonwealth by such distributor, (iii) the total number of  
957 electronic gaming devices provided for play in the Commonwealth by such distributor at each  
958 respective location, (iv) the total amount wagered during the previous month on each electronic gaming  
959 device provided for play in the Commonwealth by such distributor at each respective location where  
960 the electronic gaming device was provided, and (v) the total amount of prizes or winnings awarded  
961 during the previous month on each electronic gaming device provided for play in the Commonwealth  
962 by such distributor at each respective location where the electronic gaming device was provided. The  
963 Authority shall aggregate information collected pursuant to this enactment and report it to the  
964 Governor, the Chairman of the Senate Committee on Finance and Appropriations, and the Chairmen  
965 of the House Committees on Appropriations and Finance on a monthly basis. The October 1, 2025,  
966 report from each distributor to the Authority shall also include the required reportable information  
967 for the period of time from July 1, 2025, to September 30, 2025.

968 For purposes of the second, third, and fourth enactments of this act, "distributor" means any person  
969 that (i) manufactures and sells electronic gaming devices, including software and hardware, and  
970 distributes such devices to a host location or (ii) purchases or leases electronic gaming devices from a  
971 manufacturer and provides such devices to a host location, and who otherwise maintains such  
972 electronic gaming devices and is otherwise responsible for on-site data collection and accounting.

973 5. That, by June 30, 2026, the Virginia Lottery Board (the Board) shall implement permanent  
974 regulations necessary to implement the provisions of this act. The Board's initial adoption of such  
975 regulations shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of

976 Virginia), except that the Board shall provide an opportunity for public comment on the regulations  
977 prior to adoption. The Board shall certify in writing to the Virginia Code Commission the date of final  
978 adoption of such regulations. However, the Board may adopt emergency regulations necessary to  
979 implement the provisions of this act by January 1, 2026. The Board's adoption of such emergency  
980 regulations shall be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of  
981 Virginia), except that the Board shall provide an opportunity for public comment on the regulations  
982 prior to adoption.

983 6. That the initial procurement by the Virginia Lottery of the central accounting system for electronic  
984 gaming devices required by § 58.1-4216 of the Code of Virginia, as created by this act, shall be exempt  
985 from the departmental procurement regulations promulgated by the Virginia Lottery Board pursuant  
986 to § 58.1-4007 of the Code of Virginia. The Virginia Lottery may charge reasonable fees to recover any  
987 actual costs incurred in such initial procurement to manufacturers, distributors, and operators, as such  
988 terms are defined in § 58.1-4200 of the Code of Virginia, as created by this act, and any fees so charged  
989 shall be in addition to any authorized by the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1  
990 of the Code of Virginia, as created by this act.

991 7. That the Virginia Lottery (the Department) is authorized to begin accepting applications for  
992 licensure in accordance with the provisions of Chapter 42 (§ 58.1-4200 et seq.) of Title 58.1 of the Code  
993 of Virginia, as created by this act, on January 1, 2026. Licenses shall be issued no later than July 1,  
994 2026. Notwithstanding the provisions of § 58.1-4205 of the Code of Virginia, as created by this act, the  
995 Department may, for an amount of time to be determined by the Virginia Lottery Board, require an  
996 applicant for licensure to pay all application fees at the time the applicant submits its application to the  
997 Department. Any applicant who, during such period, submits an application and accompanying fee but  
998 is not granted a license by the Department shall be reimbursed. The Director of the Virginia Lottery  
999 shall, beginning August 30, 2025, provide quarterly status updates to the Chairmen of the Senate  
1000 Committee on Finance and Appropriations, House Committee on Appropriations, Senate Committee  
1001 on General Laws and Technology, and House Committee on General Laws and to the Governor on the  
1002 status and implementation of this act, including the procurement of the central accounting system for  
1003 electronic gaming devices required by § 58.1-4216 of the Code of Virginia, as created by this act.

1004 8. That the provisions of this act may result in a net increase in periods of imprisonment or  
1005 commitment. Pursuant to § 30-19.1:4 of the Code of Virginia, the estimated amount of the necessary  
1006 appropriation cannot be determined for periods of imprisonment in state adult correctional facilities;  
1007 therefore, Chapter 2 of the Acts of Assembly of 2024, Special Session I, requires the Virginia Criminal  
1008 Sentencing Commission to assign a minimum fiscal impact of \$50,000. Pursuant to § 30-19.1:4 of the  
1009 Code of Virginia, the estimated amount of the necessary appropriation cannot be determined for  
1010 periods of commitment to the custody of the Department of Juvenile Justice.

1011 9. That this act shall be referred to as the Virginia Gaming Commerce Regulation Act.

**INTRODUCED**

SB1322